

HOUSE BILL 665

By Halford

AN ACT to amend Chapter 62 of the Private Acts of 1981; and any other acts amendatory thereto, to authorize and empower the Gibson County Special School District to issue and sell school bonds in an aggregate principal amount of not to exceed \$5,000,000; to provide the form and terms of said bonds; to authorize the refinancing of said bonds; to establish and provide for the payment of said bonds; to provide for the issuance, sale, and payment of said bonds and the use and disposition of proceeds from the sale thereof; to provide for the pledge, levy, and collection of taxes to pay principal of, premium, if any, and interest on said bonds; to change the tax rate applicable to real and personal property located within the Gibson County Special School District; and to authorize the issuance of notes in anticipation of the issuance and sale of said bonds.

WHEREAS, it is the desire of the Board of Trustees (the "Board") of the Gibson County Special School District (the "District") to provide adequate facilities and equipment to meet the standards of the Tennessee Department of Education and improve the educational programs for children residing in the District; and

WHEREAS, the District has critical capital needs to construct and improve District school facilities; and

WHEREAS, interest rates for borrowing capital funds for governmental entities are near fifty-year lows, thereby providing for lower annual payments to meet these requirements and needs; now, therefore,

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. The Gibson County Special School District, located in Gibson County, Tennessee (the "District"), created by Chapter 62 of the Private Acts of 1981, as amended by Chapter 181 of the Private Acts of 1981, Chapter 342 of the Private Acts of 1982, Chapter 241 of the Private Acts of 1984, Chapter 152 of the Private Acts of 1986, Chapter 178 of the Private Acts of 1986, Chapter 62 of the Private Acts of 1987, Chapter 107 of the Private Acts of 1987,

Chapter 113 of the Private Acts of 1989, Chapter 79 of the Private Acts of 1993, Chapter 155 of the Private Acts of 1994, Chapter 52 of the Private Acts of 1995, Chapter 63 of the Private Acts of 1995, Chapter 79 of the Private Acts of 1995, Chapter 196 of the Private Acts of 1996, Chapter 55 of the Private Acts of 1999, Chapter 73 of the Private Acts of 2005, Chapter 59 of the Private Acts of 2007, Chapter 60 of the Private Acts of 2007, Chapter 68 of the Private Acts of 2010, Chapter 5 of the Private Acts of 2013, Chapter 3 of the Private Acts of 2015, Chapter 42 of the Private Acts of 2016, and any other amendatory acts thereto (collectively, the "Act of Incorporation"), is hereby authorized and empowered to issue and sell, by resolution of the Board of Trustees of the District, bonds in an aggregate principal amount not to exceed five million dollars (\$5,000,000) for the purpose of providing funds to pay, or reimburse the District for (i) the acquisition, construction, renovation, and equipping of new school buildings and facilities in the District, (ii) the funding of all accounts and funds, including a debt service reserve fund, necessary and proper in connection with the issuance and sale of the bonds as the Board of Trustees of the District shall determine, (iii) the payment of interest on the bonds during the period of construction and for six (6) months thereafter, and (iv) the payment of all legal, fiscal, administrative, architectural, engineering, accounting, and similar professional and other costs incident thereto and to the issuance and sale of the bonds.

SECTION 2. The bonds may be sold in one (1) or more series, may bear such date or dates, shall mature at such time or times, not exceeding thirty (30) years from their respective dated dates, may bear interest at a zero rate or at such other rate or rates not to exceed six percent (6%) per annum (which may vary from time to time), may be payable at such time or times, may be in such denominations, may carry such registration and conversion privileges, may be executed in such manner, may be payable in such medium of payment at such place or places, may be subject to such terms of redemption, with or without premium, and may provide for the replacement of mutilated, destroyed, or lost bonds, all as may be provided by resolution of the District's Board of Trustees. The bonds shall be sold as a whole or in part from time to time in such manner as shall be provided by resolution of the District's Board of Trustees, but in

no event shall the bonds be sold for less than ninety-eight percent (98%) of par plus accrued interest, exclusive of original issue discount. The Board of Trustees of the District is authorized and empowered to do and perform all acts and enter into all agreements which may be necessary or desirable in connection with the issuance and sale of the bonds (including, without limitation, agreements with any provider of municipal bond insurance for the bonds and agreements with the State of Tennessee or its agencies for credit enhancement) and delegate the power to consummate all such acts and execute and implement all such agreements on its behalf as the Board of Trustees shall deem necessary or desirable.

SECTION 3. The bonds shall be issued in fully registered form and shall be signed and sealed as provided in the Tennessee Public Obligations Registration Act and in the resolution adopted by the District's Board of Trustees authorizing the bonds.

SECTION 4. The Board of Trustees is hereby authorized to pledge such existing taxes as are currently levied on taxable property located within the boundaries of the District as necessary to pay the principal of and interest and any redemption premiums on the bonds and any other indebtedness of the District. The taxes shall be annually extended and collected by the county trustee of Gibson County, Tennessee, in the manner provided by general law for the extension and collection of county taxes and shall constitute a lien on the property against which they are levied with the like force and effect as do county taxes.

SECTION 5. The Board of Trustees is authorized to pledge to the payment of the bonds all or a portion of (i) any funds received by the District under the Tennessee Basic Education Program available to be used for capital outlay expenditures, as set forth in Tennessee Code Annotated, Section 49-3-351 et seq., and related sections, (ii) its share of the Local Option Sales and Use Tax now or hereafter levied and collected in Gibson County, Tennessee, pursuant to Tennessee Code Annotated, Section 67-6-712, and (iii) any other funds received from the State of Tennessee, or any of its authorities, agencies, or instrumentalities, for school purposes and available to be used for capital outlay expenditures.

SECTION 6. The bonds, and all income therefrom, shall be exempt from all state, county, and municipal taxation in the State of Tennessee, except inheritance, transfer, and estate taxes and except as otherwise provided by applicable law.

SECTION 7. The District is further authorized, by resolution of the Board of Trustees, to borrow money and issue its bonds for the purpose of refunding the bonds authorized herein, at or prior to maturity, in whole or in part, at any time, in accordance with the terms hereof.

SECTION 8. The District is further authorized, by resolution of the Board of Trustees, to issue and sell notes of the District in anticipation of the issuance of the bonds authorized herein. The notes may be sold in one (1) or more series, may bear such date or dates, shall mature at such time or times, not exceeding five (5) years from their respective dated dates, may bear interest at such rate or rates (which may vary from time to time), may be payable at such time or times, may be in such denominations, may carry such registration and conversion privileges, may be executed in such manner, may be payable in such medium of payment at such place or places, may be subject to such terms of redemption, with or without premium, and may provide for the replacement of mutilated, destroyed, or lost notes, all as may be provided by resolution of the Board of Trustees. The notes shall be sold as a whole or in part from time to time in such manner as shall be provided by resolution of the Board of Trustees. The Board of Trustees of the District is authorized and empowered to do and perform all acts and enter into all agreements which may be necessary or desirable in connection with the issuance and sale of the notes and delegate the power to consummate all such acts and execute and implement all such agreements on its behalf as the Board of Trustees shall deem necessary or desirable.

SECTION 9. In the event that funds available to the District are at any time projected by the Board of Trustees of the District to be insufficient to pay debt service on the bonds during the 12-month period beginning on the date of such projection; then the Board of Trustees shall certify such projections to the comptroller of the treasury of the State of Tennessee, and the comptroller shall notify the general assembly of such deficiency, whereupon the general

assembly shall use its best efforts to cause the passage of legislation increasing the tax levy of the District to an amount sufficient to provide for the payment of debt service on the bonds.

SECTION 10. In the event that the laws creating the District are repealed or the District is abolished, that portion of such laws levying a tax, the proceeds of which are pledged to the payment of outstanding indebtedness of the District, shall remain in full force and effect with respect to the real and personal property within the District to the extent necessary to satisfy the District's debt service requirements with respect to said indebtedness, and the outstanding indebtedness of the District shall remain binding and valid obligations of the District the same to be paid out of funds collected in respect of the tax herein authorized. In such event, the said remaining tax shall continue to be collected by the county trustee and funds collected in respect thereof shall be paid in respect of the District's outstanding indebtedness by the District until such indebtedness has been paid in full.

SECTION 11. If any provision of this act or the application thereof shall be held by any court of competent jurisdiction to be invalid or unenforceable to any extent, the remainder of this act and the application of such provisions shall not be affected thereby, shall be enforced to the greatest extent permitted by law, and are declared to be severable.

SECTION 12. This act takes effect upon becoming a law, the public welfare requiring it.